

AMITE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2012

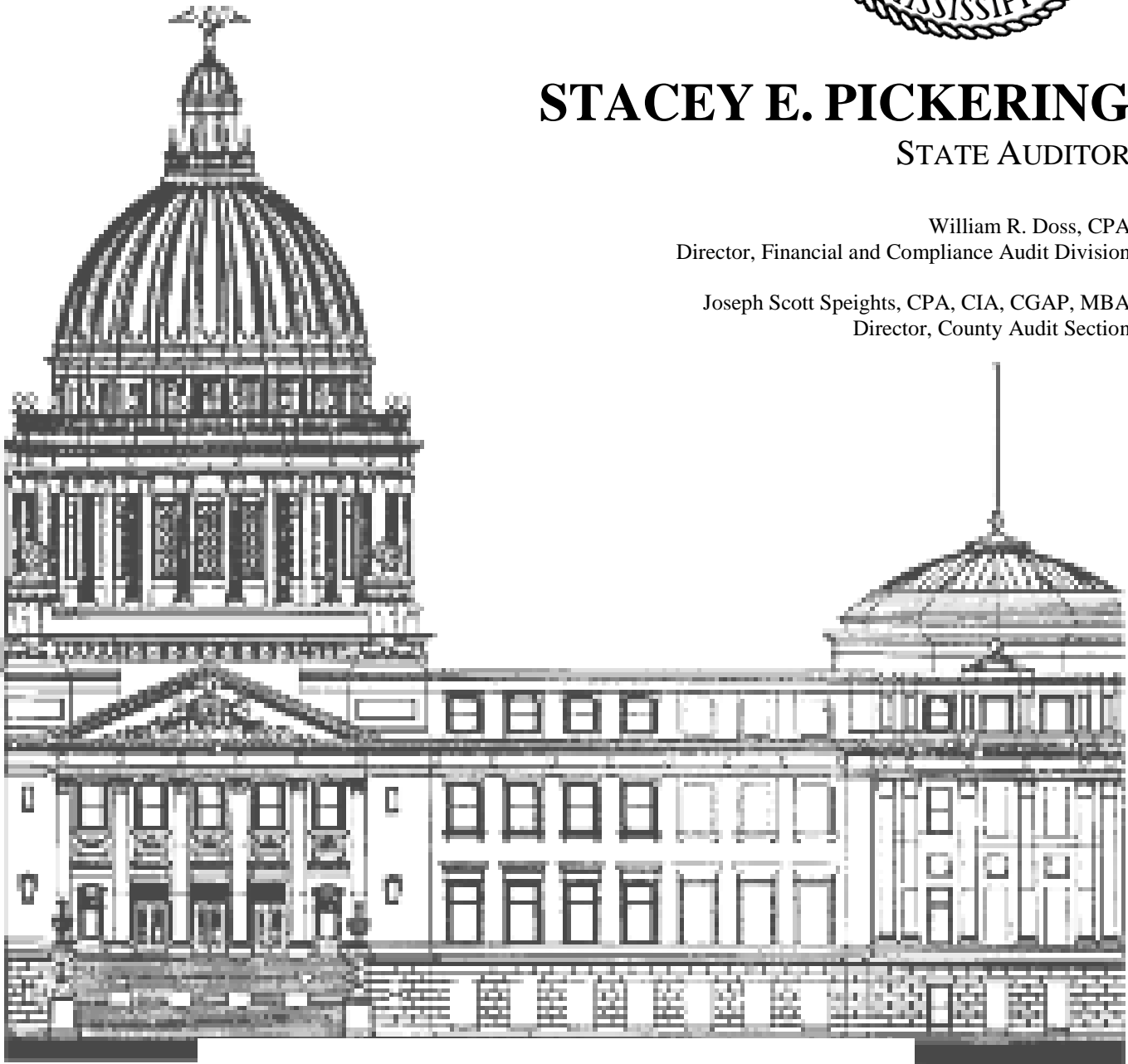


STACEY E. PICKERING

STATE AUDITOR

William R. Doss, CPA
Director, Financial and Compliance Audit Division

Joseph Scott Speights, CPA, CIA, CGAP, MBA
Director, County Audit Section



A Report from the County Audit Section

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

May 6, 2013

Members of the Board of Supervisors
Amite County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2012 financial and compliance audit report for Amite County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Amite County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Amite County. If I or this office can be of any further assistance, please contact me or J. Scott Speights of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written over a horizontal line.

Stacey E. Pickering
State Auditor

AMITE COUNTY

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AMITE COUNTY

FINANCIAL SECTION

AMITE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Amite County, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, (the County) as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

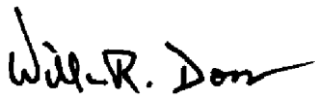
As discussed in Note 1, Amite County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of September 30, 2012, and the respective changes in cash basis financial position thereof for the year then ended and, where applicable, cash flows thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2013, on our consideration of Amite County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Amite County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Amite County, Mississippi's basic financial statements. The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

A handwritten signature in black ink, appearing to read "Will R. Dooss".

WILLIAM R. DOSS, CPA
Director, Financial and Compliance Audit Division

May 6, 2013

AMITE COUNTY

FINANCIAL STATEMENTS

AMITE COUNTY

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AMITE COUNTY
Statement of Net Assets- Cash Basis
September 30, 2012

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 4,638,582	1,102,863	5,741,445
Total Assets	<u>4,638,582</u>	<u>1,102,863</u>	<u>5,741,445</u>
NET ASSETS			
Restricted:			
Expendable:			
General government	97,217		97,217
Public safety	511,251		511,251
Public works	1,649,595	1,102,863	2,752,458
Culture and recreation	43,367		43,367
Debt service	95,453		95,453
Unemployment compensation	90,003		90,003
Unrestricted	<u>2,151,696</u>		<u>2,151,696</u>
Total Net Assets	<u>\$ 4,638,582</u>	<u>1,102,863</u>	<u>5,741,445</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY
Statement of Activities- Cash Basis
For the Year Ended September 30, 2012

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 1,996,318	482,987	17,513		(1,495,818)		(1,495,818)
Public safety	1,291,426	213,332	103,867	6,075	(968,152)		(968,152)
Public works	1,922,499		897,536	87,572	(937,391)		(937,391)
Health and welfare	115,367		18,948		(96,419)		(96,419)
Culture and recreation	92,803				(92,803)		(92,803)
Conservation of natural resources	56,541				(56,541)		(56,541)
Economic development and assistance	27,876				(27,876)		(27,876)
Debt service:							
Principal	76,024				(76,024)		(76,024)
Interest	4,067				(4,067)		(4,067)
Total Governmental Activities	<u>5,582,921</u>	<u>696,319</u>	<u>1,037,864</u>	<u>93,647</u>	<u>(3,755,091)</u>	<u>0</u>	<u>(3,755,091)</u>
Business-type activities:							
Solid Waste	784,074	695,310	29,302			(59,462)	(59,462)
Total Primary Government	<u>\$ 6,366,995</u>	<u>1,391,629</u>	<u>1,067,166</u>	<u>93,647</u>	<u>(3,755,091)</u>	<u>(59,462)</u>	<u>(3,814,553)</u>
General receipts:							
Property taxes					\$ 3,018,883		3,018,883
Road & bridge privilege taxes					193,693		193,693
Grants and contributions not restricted to specific programs					859,767		859,767
Unrestricted interest income					12,585	3,113	15,698
Miscellaneous					80,193	60,312	140,505
Compensation for loss of county property					2,030		2,030
Transfers					14,149	(14,149)	0
Total General Receipts, Other Cash Sources and Transfers					<u>4,181,300</u>	<u>49,276</u>	<u>4,230,576</u>
Changes in Net Assets					<u>426,209</u>	<u>(10,186)</u>	<u>416,023</u>
Net Assets - Beginning of year					<u>4,212,373</u>	<u>1,113,049</u>	<u>5,325,422</u>
Net Assets - End of year					<u>\$ 4,638,582</u>	<u>1,102,863</u>	<u>5,741,445</u>

The notes to the financial statements are an integral part of this statements.

AMITE COUNTY

Exhibit 3

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

September 30, 2012

	Governmental Funds			
	Major Funds			
	General Fund	District One Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,151,696	520,887	1,965,999	4,638,582
Total Assets	\$ 2,151,696	520,887	1,965,999	4,638,582
FUND BALANCES				
Restricted for:				
General government			97,217	97,217
Public safety			511,251	511,251
Public works		520,887	1,128,708	1,649,595
Culture and recreation			43,367	43,367
Debt service			95,453	95,453
Unemployment compensation			90,003	90,003
Unassigned	2,151,696			2,151,696
Total Fund Balances	\$ 2,151,696	520,887	1,965,999	4,638,582

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY

Exhibit 4

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -
 Governmental Funds
 For the Year Ended September 30, 2012

	Governmental Funds			
	Major Funds			Total Governmental Funds
	General Fund	District One Road Fund	Other Governmental Funds	
RECEIPTS				
Property taxes	\$ 1,916,689	202,692	899,502	3,018,883
Road and bridge privilege taxes		38,642	155,051	193,693
Licenses, commissions and other receipts	140,652		5,900	146,552
Fines and forfeitures	323,038		34,665	357,703
Intergovernmental receipts	712,427	237,512	1,041,339	1,991,278
Charges for services	59,680		132,384	192,064
Interest income	7,471	1,031	4,083	12,585
Miscellaneous receipts	39,511	150	40,532	80,193
Total Receipts	<u>3,199,468</u>	<u>480,027</u>	<u>2,313,456</u>	<u>5,992,951</u>
DISBURSEMENTS				
General government	1,905,068		91,250	1,996,318
Public safety	1,102,196		189,230	1,291,426
Public works		302,672	1,619,827	1,922,499
Health and welfare	115,367			115,367
Culture and recreation	92,504		299	92,803
Conservation of natural resources	56,541			56,541
Economic development and assistance	27,876			27,876
Debt service:				
Principal	76,024			76,024
Interest	4,067			4,067
Total Disbursements	<u>3,379,643</u>	<u>302,672</u>	<u>1,900,606</u>	<u>5,582,921</u>
Excess (Deficiency) of Receipts over Disbursements	<u>(180,175)</u>	<u>177,355</u>	<u>412,850</u>	<u>410,030</u>
OTHER CASH SOURCES (USES)				
Sale of county property	1,800		230	2,030
Transfers in	14,726	11,000	236,900	262,626
Transfers out		(39,631)	(208,846)	(248,477)
Total Other Cash Sources and Uses	<u>16,526</u>	<u>(28,631)</u>	<u>28,284</u>	<u>16,179</u>
Excess (Deficiency) of Receipts and other Cash Sources over Disbursements and other Cash Uses	<u>(163,649)</u>	<u>148,724</u>	<u>441,134</u>	<u>426,209</u>
Cash Basis Fund Balances - Beginning of year	<u>2,315,345</u>	<u>372,163</u>	<u>1,524,865</u>	<u>4,212,373</u>
Cash Basis Fund Balances - End of year	<u>\$ 2,151,696</u>	<u>520,887</u>	<u>1,965,999</u>	<u>4,638,582</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY

Statement of Net Assets - Cash Basis - Proprietary Fund

September 30, 2012

Exhibit 5

	Business-type Activities
	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
	<u>Services Fund</u>
ASSETS	
Cash	<u>1,102,863</u>
Total Assets	\$ <u><u>1,102,863</u></u>
NET ASSETS	
Restricted for:	
Public works	<u>1,102,863</u>
Total Net Assets	\$ <u><u>1,102,863</u></u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets -
Proprietary Fund
For the Year Ended September 30, 2012

Exhibit 6

	Business-type Activities <u>Enterprise Fund</u> Solid Waste Services Fund
Operating Receipts	
Charges for services	\$ 695,310
Miscellaneous	60,312
Total Operating Receipts	<u>755,622</u>
Operating Disbursements	
Personal services	357,591
Contractual services	149,067
Materials and supplies	277,416
Total Operating Disbursements	<u>784,074</u>
Operating Income (Loss)	<u>(28,452)</u>
Nonoperating Receipts (Disbursements)	
Interest income	3,113
Intergovernmental grants	29,302
Net Nonoperating Revenue (Disbursements)	<u>32,415</u>
Net Income (Loss) Before Transfers	<u>3,963</u>
Transfers out	<u>(14,149)</u>
Changes in Net Assets	<u>(10,186)</u>
Net Assets - Beginning of year	<u>1,113,049</u>
Net Assets - Ending of year	\$ <u><u>1,102,863</u></u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY
Statement of Fiduciary Assets and Liabilities - Cash Basis
September 30, 2012

Exhibit 7

	Agency Funds
ASSETS	
Cash	\$ 53,910
Total Assets	\$ 53,910
LIABILITIES	
Amounts held in custody for others	\$ 53,910
Total Liabilities	\$ 53,910

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY

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AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Amite County is a political subdivision of the State of Mississippi. The county is governed by an elected five-member Board of Supervisors. The financial statements of the county are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. However, accounting principles generally accepted in the United States of America require Amite County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the county. There are no outside organizations that should be included as component units of the county's reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the county legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

B. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Assets – Cash Basis and a Statement of Activities – Cash Basis, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange receipts and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Assets – Cash Basis presents the financial condition of the governmental activities and business-type activities of the county at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the county's governmental activities and business-type activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the county, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general receipts of the county.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

Fund Financial Statements:

Fund financial statements of the county are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets fund equity, receipts and disbursements. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, Proprietary Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The county reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

District One Road Fund - This fund is used to account for monies from specific sources that are restricted for road maintenance.

The county reports the following major Proprietary Fund:

Solid Waste Services Fund - This fund is used to account for the county's activities of disposal of solid waste within the county.

Additionally, the county reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for principal and interest.

PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of receipts collected, disbursements paid and/or net income is necessary for management accountability.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the county, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2005 by the Government Finance Officers Association.

E. Deposits and Investments.

State law authorizes the county to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the county may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at book value. However, the county did not invest in any governmental securities during the fiscal year.

F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net assets and displayed in two components:

Restricted net assets - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets not meeting the definition of "restricted."

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the county.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if disbursements paid for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

When a disbursement is paid for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the county's general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the county's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

G. Property Tax Receipts.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the county. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected.

(2) Change in Accounting Principle.

Prior to October 1, 2011 the county's financial statements were presented using the accrual basis of accounting. For the fiscal year ended September 30, 2012, the basic financial statements are prepared on a cash basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

(3) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2012, was \$5,795,355, and the bank balance was \$5,809,962. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the county will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the county. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the county.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

(4) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2012:

Transfers In/Out:

Transfer In	Transfer Out	Amount
General Fund	Other Governmental Funds	\$ 577
General Fund	Solid Waste Fund	14,149
District One Road Fund	Other Governmental Funds	11,000
Other Governmental Funds	District One Road Fund	39,631
Other Governmental Funds	Other Governmental Funds	197,269
Total		\$ 262,626

The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Claims and Judgments.

Risk Financing.

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2012, to January 1, 2013. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(6) Contingencies.

Federal Grants - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the disbursements of resources for allowable purposes. The county may be responsible for any disallowances.

Litigation - The county is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the county with respect to the various proceedings. However, the county's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the county.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

(7) Joint Ventures.

The county participates in the following joint ventures:

Amite County is a participant with the Counties of Pike and Walthall in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall County appoints one board member. By contractual agreement, the county's contribution to the joint venture was \$92,204 in fiscal year 2012. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

Amite County is a participant with Pike County and the City of McComb in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical services for the residents of the local area and is governed by seven board members. Amite County appoints one board member, while Pike County and the City of McComb appoint two members individually and jointly they appoint two members. The hospital is basically self-supporting. However, the counties and city have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Amite County is a participant with Wilkinson County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Amite County appoints two board members, while Wilkinson County appoints three members. The hospital is basically self-supporting. However, the counties and city have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centreville, MS 39631.

(8) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county contributed \$22,530 for support of the district in fiscal year 2012.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints one of the ten members of the board of commissioners. The county contributed \$24,800 for its support in fiscal year 2012.

Southwest Mississippi Community College operates in a district composed of the Counties of Amite, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints three of the 14 members of the college board of trustees. The county contributed \$378,659 for the operation and maintenance of the college in fiscal year 2012.

Southwest Mississippi Partnership Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The county did not contribute support in fiscal year 2012.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2012

(9) Defined Benefit Pension Plan.

Plan Description. Amite County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2012, PERS members were required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2012 was 14.26% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ending September 30, 2012, 2011 and 2010 were \$258,069, \$239,876 and \$233,924, respectively, equal to the required contributions for each year.

AMITE COUNTY

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AMITE COUNTY

SUPPLEMENTAL INFORMATION

AMITE COUNTY

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AMITE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office Schools and roads - grants to states*	10.665	N/A	\$ 534,316
U. S. Department of Justice / Passed-through the Mississippi Department of Public Safety Division of Public Safety Planning Edward Byrne Memorial Justice Assistance Grant Program	16.738	10LB1031	6,075
U. S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency Emergency Management Performance Grant	97.042	N/A	13,214
Total Expenditures of Federal Awards			\$ 553,605

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.

* Denotes major federal award program

AMITE COUNTY

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AMITE COUNTY

OTHER INFORMATION

AMITE COUNTY

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AMITE COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2012
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 1,837,400	1,931,334	1,916,689	(14,645)
Licenses, commissions and other receipts	104,500	140,651	140,652	1
Fines and forfeitures	295,000	323,037	323,038	1
Intergovernmental receipts	496,500	712,428	712,427	(1)
Charges for services	25,000	59,680	59,680	
Interest income	31,000	7,471	7,471	
Miscellaneous receipts	28,000	41,279	41,159	(120)
Total Receipts	<u>2,817,400</u>	<u>3,215,880</u>	<u>3,201,116</u>	<u>(14,764)</u>
DISBURSEMENTS				
Current:				
General government	1,887,600	1,904,959	1,904,880	79
Public safety	1,163,300	1,102,192	1,102,196	(4)
Health and welfare	114,330	112,368	115,367	(2,999)
Education	92,204	92,504	92,504	
Conservation of natural resources	70,550	56,538	56,541	(3)
Economic development and assistance	67,659	30,876	27,876	3,000
Debt service:				
Principal	81,000	80,091	76,024	4,067
Interest			4,067	(4,067)
Total Disbursements	<u>3,476,643</u>	<u>3,379,528</u>	<u>3,379,455</u>	<u>73</u>
Excess of Receipts over (under) Disbursements	<u>(659,243)</u>	<u>(163,648)</u>	<u>(178,339)</u>	<u>(14,691)</u>
OTHER CASH SOURCES (USES)				
Transfers in			1,686,789	1,686,789
Transfers out			(1,672,099)	(1,672,099)
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>14,690</u>	<u>14,690</u>
Net Change in Fund Balance	(659,243)	(163,648)	(163,649)	(1)
Fund Balances - Beginning	<u>2,295,000</u>	<u>2,315,344</u>	<u>2,315,345</u>	<u>1</u>
Fund Balances - Ending	<u>\$ 1,635,757</u>	<u>2,151,696</u>	<u>2,151,696</u>	<u>0</u>

The accompanying notes to the Other Information are an integral part of this statement.

AMITE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 District One Road Fund
 For the Year Ended September 30, 2012
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 197,200	202,692	202,692	
Road and bridge privilege taxes	36,000	38,642	38,642	
Intergovernmental receipts	162,500	235,406	237,512	2,106
Interest income	3,500	14,288	1,031	(13,257)
Miscellaneous receipts			150	150
Total Receipts	<u>399,200</u>	<u>491,028</u>	<u>480,027</u>	<u>(11,001)</u>
DISBURSEMENTS				
Current:				
Public works	<u>538,000</u>	<u>342,303</u>	<u>305,792</u>	<u>36,511</u>
Total Disbursements	<u>538,000</u>	<u>342,303</u>	<u>305,792</u>	<u>36,511</u>
Excess of Receipts over (under) Disbursements	<u>(138,800)</u>	<u>148,725</u>	<u>174,235</u>	<u>25,510</u>
OTHER CASH SOURCES (USES)				
Transfers in			11,000	11,000
Transfers out			<u>(36,511)</u>	<u>(36,511)</u>
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>(25,511)</u>	<u>(25,511)</u>
Net Change in Fund Balance	(138,800)	148,725	148,724	(1)
Fund Balances - Beginning	<u>345,100</u>	<u>372,163</u>	<u>372,163</u>	
Fund Balances - Ending	\$ <u><u>(138,800)</u></u>	<u><u>520,888</u></u>	<u><u>520,887</u></u>	<u><u>(1)</u></u>

The accompanying notes to the the Other Information are an integral part of this statement.

AMITE COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2012
UNAUDITED

Governmental activities:

	Balance Oct. 1, 2011	Additions	Deletions	Adjustments	Balance Sept. 30, 2012
Land	\$ 114,552				114,552
Infrastructure	898,505				898,505
Buildings	2,323,263			826,684	3,149,947
Mobile equipment	5,221,225	139,259	159,436		5,201,048
Furniture and equipment	778,521	62,954	116,149	(3,227)	722,099
Leased property under capital leases	826,684			(826,684)	
Total capital assets	\$ <u>10,162,750</u>	<u>202,213</u>	<u>275,585</u>	<u>(3,227)</u>	<u>10,086,151</u>

Business-type activities:

	Balance Oct. 1, 2011	Additions	Deletions	Adjustments	Balance Sept. 30, 2012
Land	\$ 105,547				105,547
Buildings	284,408				284,408
Mobile equipment	709,150	109,418	34,275		784,293
Furniture and equipment	128,784			5,200	133,984
Total capital assets	\$ <u>1,227,889</u>	<u>109,418</u>	<u>34,275</u>	<u>5,200</u>	<u>1,308,232</u>

Note: The adjustments to furniture and equipment consists of corrections to prior years' balances. The adjustment from leased property under capital leases to buildings was due to the Adult Detention Center being paid off.

AMITE COUNTY

Schedule of Changes in Long-term Debt

For the Year Ended September 30, 2012

UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2012.

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2011	Issued	Principal Payments	Balance Sept. 30, 2012
Governmental Activities:							
A. Capital Leases:							
Adult Detention Center Promissory Note	11/25/1996	Nov-11	5.35%	\$ 76,024		76,024	0

The accompanying notes to the Other Information are an integral part of this statement.

AMITE COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2012
UNAUDITED

Name	Position	Company	Bond
Warren Leake	Supervisor District 1	Western Surety Company	\$100,000
Will Powell	Supervisor District 2	Brierfield Insurance Company	\$100,000
Jackie Whittington	Supervisor District 3	Brierfield Insurance Company	\$100,000
Melvin Graves	Supervisor District 4	Western Surety Company	\$100,000
Max Lawson	Supervisor District 5	Brierfield Insurance Company	\$100,000
Ronny Taylor	Chancery Clerk	Western Surety Company	\$100,000
Helen Wells	Purchase Clerk	Brierfield Insurance Company	\$75,000
Lisa Sullivan	Assistant Purchase Clerk	Brierfield Insurance Company	\$50,000
Carylin Patterson	Receiving Clerk	Brierfield Insurance Company	\$75,000
Lisa Sullivan	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Tommie Dee Otts	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Ronny Taylor	Inventory Control Clerk	Brierfield Insurance Company	\$75,000
Murry Toney	Constable	Brierfield Insurance Company	\$50,000
Jerry Bates	Constable	Brierfield Insurance Company	\$50,000
Deborah Kirkland	Circuit Clerk	State Farm Fire and Casualty	\$100,000
Tim Wroten	Sheriff	Brierfield Insurance Company	\$100,000
	Sheriff's Deputy (hired under Section		
Daniel Meax	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
	Sheriff's Deputy (hired under Section		
Paul Malone	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
	Sheriff's Deputy (hired under Section		
Jerry Bates	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
	Sheriff's Deputy (hired under Section		
Grant McCurly	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
	Sheriff's Deputy (hired under Section		
Anthony Reeves	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
	Sheriff's Deputy (hired under Section		
James Sparcello	45-5-9 Miss. Code Ann. (1972))	Brierfield Insurance Company	\$50,000
Roger Arnold	Justice Court Judge	Brierfield Insurance Company	\$50,000
Louis Green	Justice Court Judge	Brierfield Insurance Company	\$50,000
Melanie Netterville	Justice Court Clerk	Brierfield Insurance Company	\$50,000
Eunice Blake	Tax Collector-Assessor	Brierfield Insurance Company	\$100,000

AMITE COUNTY

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AMITE COUNTY

Notes to the Other Information For the Year Ended September 30, 2012

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the county, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The county's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund.

(2) Long-term Debt information:

- A. Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2012, the amount of outstanding debt was equal to 0% of the latest property assessments.

AMITE COUNTY

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AMITE COUNTY

SPECIAL REPORTS

AMITE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Supervisors
Amite County, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, (the County), as of and for the year ended September 30, 2012, which collectively comprise the county's basic financial statements and have issued our report thereon dated May 6, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Amite County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

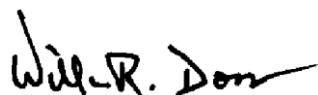
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amite County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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WILLIAM R. DOSS, CPA
Director, Financial and Compliance Audit Division

May 6, 2013



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Board of Supervisors
Amite County, Mississippi

Compliance

We have audited the compliance of Amite County, Mississippi with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2012. Amite County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Amite County, Mississippi's management. Our responsibility is to express an opinion on Amite County, Mississippi's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amite County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Amite County, Mississippi's compliance with those requirements.

In our opinion, Amite County, Mississippi, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2012.

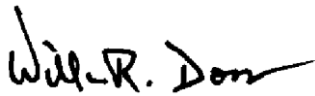
Internal Control over Compliance

The management of Amite County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Amite County, Mississippi's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Will R. Dooss". The signature is fluid and cursive, with a long horizontal stroke at the end.

WILLIAM R. DOSS, CPA
Director, Financial and Compliance Audit Division

May 6, 2013



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))**

Members of the Board of Supervisors
Amite County, Mississippi

We have examined Amite County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2012. The Board of Supervisors of Amite County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

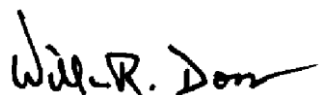
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Amite County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Amite County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2012.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for use in evaluating the central purchasing system and inventory control system of Amite County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Will R. Dooss". The signature is written in a cursive, slightly slanted style.

WILLIAM R. DOSS, CPA
Director, Financial and Compliance Audit Division

May 6, 2013

AMITE COUNTY

Schedule 1

Schedule of Purchases Not Made From the Lowest Bidder

For the Year Ended September 30, 2012

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
04/26/2012	50 tons of pea gravel	\$ 16.64 per ton	Associated Sand and Gravel	\$ 14.25 per ton	out of pea gravel
06/11/2012	30 tons of pea gravel	\$ 16.64 per ton	Associated Sand and Gravel	\$ 14.25 per ton	out of pea gravel

AMITE COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2012

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
02/27/2012	Computer server upgrade	\$ 92,251	Premise	Problems with old server not backing up

AMITE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2012

Our test results did not identify any purchases made noncompetitively from a sole source.

AMITE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Amite County, Mississippi

In planning and performing our audit of the financial statements of Amite County, Mississippi for the year ended September 30, 2012, we considered Amite County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Amite County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated May 6, 2013, on the financial statements of Amite County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Will R. Dooss".

WILLIAM R. DOSS, CPA
Director, Financial and Compliance Audit Division

May 6, 2013

AMITE COUNTY

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AMITE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

AMITE COUNTY

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AMITE COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements: | Unqualified |
| 2. | Internal control over financial reporting: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified? | None Reported |
| 3. | Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | | |
|----|--|---------------|
| 4. | Internal control over major programs: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified? | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Unqualified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with Section ____510(a) of OMB Circular A-133? | No |
| 7. | Federal programs identified as major programs: | |
| | Schools and roads – grants to states, CFDA# 10.665 | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

AMITE COUNTY

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